

Message Text

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ACTION NEA-10

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P R 211021Z JUN 75
FM AMEMBASSY DAMASCUS
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC 3772
AMEMBASSY BEIRUT

UNCLAS DAMASCUS 2342

STATE FOR NEA/ARN

FOR DOUGLAS HARWOOD SAD/OIM/BIC AND PETER HALE CAGNE/OIM/
BIC

BEIRUT FOR RTDO

E.O. 11652: N/A
TAGS: BEXP, SY
SUBJ: DAMASCUS INTERNATIONAL FAIR - WEEKLY REPORT NO. 7,
WEEK ENDING JUNE 20, 1975

REF: A. TELCON KIRCHSCHLAGER/HARWOOD Y/20; B. TELCON FOCO/
KIRCHSCHLAGER 6/6; C. PROGRESS REPORT NO. 5; D. STATE 064697;
E. PROGRESS REPORT NO. 1; F. DAMASCUS 2245

1. DETAILED SUMMARY OF PROCUREMENT POSITION BEING CABLED
BY EMBASSY TODAY. SUMMARIZING DUSEX PERSONAL ESTIMATE OF
PROCUREMENT GENERATED RESOURCES AS DISCUSSED IN REF A, IT
IS FELT THIS FINAL TOTAL FROM USA AND LOCALLY WILL RANGE
BETWEEN 52,000 AND 55,000 DOLLARS. EFFORTS TO IMPROVE THIS
POSITION CONTINUE BUT REMAINING FIVE WEEKS OFFER LITTLE
ENCOURAGEMENT.

2. EXTERIOR WORK ON BUILDING AND OUTDOOR AREA ESTIMATED BY
LOCAL CONTRACTOR AT ABSOLUTE MINIMUM FIGURE OF 22,800
DOLLARS AND HE FURTHER REQUESTS CONTINGENCY ALLOWANCE
OF 20 PERCENT. HAD CONTRACTOR WHO NORMALLY HANDLES
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THIS WORK AS SUPPLEMENT TO CONSTRUCTION CONTRACT SENT

REPRESENT TO DAMASCUS AS PROMISED SINCE EARLY MAY WE COULD HAVE HAD FIGURES FOR COMPARISON. FOCO DECISION EVIDENCED IN REF B, TO WITHHOLD REPRESENTATIVES VISIT AND COMPLETE DISINTEREST IN DOING EXTERNAL WORK GAVE NO ALTERNATIVE BUT TO SOLICIT THE SERVICE LOCALLY. WE HAVE PERMITTED FOCO TO PAINT US INTO A CORNER WHERE WE HAVE NO BARGAINING POSITION. REF C ANTICIPATED THIS AND DESCRIBES OUR RELATIONSHIP WITH LOCAL CONTRACTOR.

3. THE FIGURE OF 22,800 IS A TOTAL INTEGRATED PACKAGE WHICH HAS BEEN REFINED AND NEGOTIATED OVER A PERIOD OF DAYS. IT REPRESENTS THE BASIC MINIMUM IN MATERIALS AND SERVICES TO PLACE OUR PAVILION AND OUTDOOR AREA ON PAR WITH OTHERS. MAJOR ITEMS INTEGRAL TO THE PROPOSAL INCLUDE PAINTING OUTSIDE OF BUILDING (1000 SQ. MT.); DESIGN AND EXECUTION OF CROWD CONTROL COMPLEX FOR MAIN ENTRANCE, CINDER BLOCK FLOWER BOXES, ENTRANCE GATES, ILLUMINATION; OUTSIDE EXHIBIT AREA PERIMETER CINDER BLOCK BARRIER AND INTERNAL PIPE AND ROPE PROTECTIVE BARRIERS FOR EQUIPMENT, EXIT GATE CROWD CONTROL COMPLEX; LIGHTING AND ELECTRIFICATION FOR FOUR WALLS OF BUILDING, FLOODLIGHTING AND SPOTLIGHTING OF 1000 SQ. MT. OUTSIDE AREA, INCLUDING LAMPS, POLES, AND ALL MATERIALS (EXCEPT FOR 14 FLOODLIGHTS BEING LENT BY RTDO); REMOVABLE GUARD RAILS FOR EACH DISPLAY BOOTH; TWO FLAGPOLES; FOUR SETS OF USA AND ARABIC EQUIVALENT PLYWOOD CUTOUT IDENTIFICATION SIGNS; FALSE CEILING OF MUSLIN (OR ALTERNATIVE OF SUSPENDED FLOODLIGHTING) FOR ENTIRE INTERNAL AREA OF PAVILION; SUPPLEMENTAL BASIC FLOWER BOXES, PLANTS AS CUSTOMARY.

4. BASIS FOR COST CALCULATION HAS BEEN EXTRAPOLATION OF 1974 FIGURES REFLECTING INCREASED AREA AND 50 PERCENT INFLATION FACTOR FOR MATERIALS AND LABOR. THIS LATTER IS REASONABLE FOR AREA. INCLUDED IN THE SERVICE WOULD BE CONTRACTORS LABOR FORCE INCLUDING PAINTERS AND ELECTRICIANS SO THAT FOCO COULD PROCEED UNENCUMBERED ON THEIR SPECIFIC AREA OF RESPONSIBILITY. LOCAL CONTRACTOR INCLUDES SERVICE OF NEPHEW WHO IS EXPERIENCED ARCHITECT TO HONCHO HIS PROJECT BUT WHO WOULD ASSIST UNCLASSIFIED

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WITHIN REASON IN RESOLVING LOCAL PROBLEMS FOCO WILL CERTAINLY ENCOUNTER.

5. IT IS THE DUSEX PERSONAL FEELING THAT THE COMMERCIAL VIABILITY OF THE ENTIRE EVENT WAS MARGINAL WHEN WE ACCEPTED THE CONSTRUCTION CONTRACT AT 55,000 DOLLARS AND DESCRIBED IN REF D. EMBASSY'S RESPONSIBILITY OF GENERATING AT LEAST 80,000 DOLLARS. THE INCREASE IN

FOCO CONTRACT TO 63,630 DOLLARS HAS BEEN OFFSET BY RAISING THE USDOC O & A CONTRIBUTION TO 35,000 DOLLARS, BUT A SHORTFALL IN EXHIBITORS' CONTRIBUTIONS OF BETWEEN 28,000 AND 35,000 DOLLARS SEEMS INESCAPABLE. ONCE WE DISREGARD COMMERCIAL CONSIDERATIONS THE COSTS WE NOW MUST FACE MUST BE CONSIDERED IN TERMS OF THE EFFECT OF CANCELLATION WHICH WE CANNOT NOW CONSIDER - OR A SHODDY PERFORMANCE - WHICH ALL CONCERNED ARE ATTEMPTING TO PREVENT.

6. DESPITE LOCAL CONTRACTOR'S PERSONAL FEELINGS THE DUSEX CONSIDERS THE FIGURE OF 22,800 AS PROBABLY A BREAK-EVEN PRICE AND WOULD RECOMMEND ITS ACCEPTANCE IF FUNDS CAN BE MADE AVAILABLE. RELATED TO 1974 EXPERIENCE THESE COSTS FOR EXTERNAL WORK AND SERVICES ARE NOT EXCESSIVE WHEN IT IS CONSIDERED THAT PREVIOUSLY WE SHARED A PORTION OF AN ESTABLISHED BUILDING AND NOW WE HAVE TO PROVIDE EVERY FACILITY ON FOUR SIDES OF A BARREN NEW STRUCTURE.

7. REF C, WILL INDICATE THAT DUSEX HAS LEANED ON THE FAIR AUTHORITIES BUT AS REPORTED IN REF E, THESE PEOPLE FEEL THEIR RESPONSIBILITY ENDS WITH THE CONSTRUCTION OF FOUR MOTTLED BROWN WALLS AND AN EBONITE ROOF. THEY MIGHT OFFER TO DO A PART OF THE OUTSIDE WORK BUT THEIR STANDARDS ARE SO BAD AS TO DISQUALIFY THEM.

8. NO REFERENCE HAS BEEN MADE TO THE USIS AREA SINCE DUSEX FIRST RECEIVED THESE DRAWINGS ON JUNE 19 AND THESE WILL BE QUOTED AS A SEPARATE PROJECT. HAMMOND INSTRUCTED DUSEX BY TELEPHONE THAT USIS PROJECT WOULD HAVE TO BE CONSIDERED A RESIDUAL EFFORT IF WE HAD FUNDS AVAILABLE. WE SHOULD HAVE A QUOTATION BY JUNE 25 BUT USIA SHOULD BE ALERTED TO OUR FINANCIAL POSITION.
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9. MINIMUM COST KIOSKS OF WHICH TWO WOULD BE REQUIRED ARE ALSO BEING QUOTED.

10. IT SHOULD BE APPARENT FROM ALL OF DUSEX CORRESPONDENCE AND TELEPHONE COMMUNICATIONS THAT THE AVAILABILITY OF A REPRESENTATIVE FROM FOCO IN DAMASCUS WAS NOT ONLY IMPERATIVE TO THE PHYSICAL BUT ALSO THE FINANCIAL SUCCESS OF THE EVENT. USDOC ASSURED DUSEX PRIOR TO DEPARTURE AND UP TO JUNE 6 THAT THIS WAS PLANNED. FOCO IN ONE VISIT COULD HAVE QUOTED ON OUTDOOR WORK, THE USIS AREA AND THE KIOSKS BESIDE GAINING INVALUABLE INFORMATION ON TRANSPORT FACILITIES. IT WOULD HAVE AFFORDED US AN ALTERNATIVE.

11. THE ADVICE RECEIVED IN REF A, THAT THE DISPLAY SYSTEM IS BEING SHIPPED VIA FREE ZONE BEIRUT IS SO INCREDIBLE THAT IT DEFIES COMMENT. IN ALL COMMUNICATIONS AND CONVERSATIONS THE DUSEX, AND CERTAINLY RTDO MUST HAVE STRESSED THAT AT NO POINT IN TIME HAVE FACILITIES IN BEIRUT BEEN SO OVERLOADED. TO DUSEX KNOWLEDGE SEA TRANSPORT WAS NEVER CONSIDERED ALTHOUGH HE RECOMMENDED POSSIBLE USE OF TRUCK WHICH BRITISH ARE DOING. IN RTDO/USDOC TELCOM OF JUNE 12, AND TWO KIRCHSCHLAGER/USDOC TELCOMS OF JUNE 13 NO MENTION OF THIS DECISION WAS MADE. REF F, OF JUNE 16 DUSEX REQUESTED WEIGHT AND CUBE OF ANTICIPATED AIR CHARTER TO ASSIST IN EXPEDITING AIRPORT CLEARANCES. IT WOULD HAVE BEEN BETTER TO HAVE RTDO OR DUSEX CONTACT AMERICAN EXPORT IN BEIRUT TO VERIFY LOCALLY AVAILABLE SERVICE.

12. REQUEST YOU SPECIFY WHAT TYPE OF GUARANTEE AND CONDITIONS APPLICABLE TO AMERICAN EXPORT DELIVERY DATES OF JULY 8 TO 10 DAMASCUS, AND HOW THIS RELATES TO FOCO GUARANTEE ON DATE THEY NEED MATERIALS FREE AND CLEAR TO START THEIR CONSTRUCTION.

13. ARRANGEMENTS WILL BE MADE TO PROCESS ALL PHOTO-MURALS IN BEIRUT WITH FOCO RESPONSIBLE FOR MOUNTING ENLARGEMENT TO PANEL. USDOC TO AIR POUCH ALL PHOTOS TO RTDO RATHER THAN DAMASCUS TO AVOID FURTHER DELAY.
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